

# **PUBLIC COMMENTS RECEIVED BY THE OHIC IN THE ORDER THEY WERE RECEIVED**

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**From:** "Khimatian, Robert CTR NUWC NWPT" <robert.khimatian.ctr@navy.mil>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 7:13 AM  
**Subject:** Rate increases

These costs are out of control and I have 0 faith in RI regulators regulating anything. Most of people making these decisions are state employed and get their healthcare at 0 or litter cost if any , they are not effected . I would like to in see in detail the administrative cost as well as 3 last years of profit .

**HealthInsInquiry - Response to suggested increases in Health insurance**

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**From:** "Betty Vargas" <stmichaels@fullchannel.net>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 8:47 AM  
**Subject:** Response to suggested increases in Health insurance

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I would like to comment on the article in today's ProJo re: increases in health insurance for 2012. I can't understand for the life of me why insurance must go up anywhere from 8-10+% every year. I wish my salary would go up by those percentages!!! I haven't seen an increase in 3 years, however, the cost of my health insurance continues to go up. I am also paying for an insurance plan for my disabled daughter, who receives SSDI, but can't afford to pay for her insurance from that and her Medicare too! When is it going to stop???? How much more can the common man pay out of pocket? Someone needs to do something about it. The over all cost of my medical plus my daughter's per month is \$ 2,060. Ridiculous!!!

Betty Vargas

Parish Administrator  
St. Michael's Church  
P. O. Box 414  
399 Hope Street  
Bristol, RI 02809  
Phone: 401-253-7717  
Fax: 401-253-7785  
Email: [stmichaels@fullchannel.net](mailto:stmichaels@fullchannel.net)  
Website: [www.stmichaelsbristolri.org](http://www.stmichaelsbristolri.org)

## HealthInsInquiry - No more exorbitant raises in health insurance premiums!

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**From:** Judith Dawson <jdawson@bryant.edu>  
**To:** "healthinsinquiry@ohic.ri.gov" <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 10:55 AM  
**Subject:** No more exorbitant raises in health insurance premiums!

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The people in Rhode Island CANNOT AFFORD ANOTHER RAISE IN HEALTH INSURANCE PREMIUMS! Please, please do not let these greedy vultures continue to bleed the people in this state dry! High unemployment, disgraceful gas prices, food no one can afford to eat and now another raise in health insurance premiums? How much can the average person take? 18-20 %? United Health should be ashamed of themselves!

**Judith Dawson**  
Office of Financial Aid  
Bryant University  
Tel: 401-232-6020  
Fax: 401-232-6293

Sent via MS-ForeFront SPAM filter

## HealthInsInquiry - Proposed Health Insurance Rates for 2012

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**From:** Patricia Farhat <pfarhat@bryant.edu>  
**To:** "healthinsinquiry@ohic.ri.gov" <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 11:07 AM  
**Subject:** Proposed Health Insurance Rates for 2012

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With so many people out of work in this state, the state of the economy, the price of gas, the proposed new taxes by the governor, I won't need health coverage because I will drop dead from the pressure of all these increases and trying to make these payments!

Please please please do not approve these health insurance increases in this state. Have you seen the new fancy Blue Cross building? Why should we have to pay for their indulgences?

Sincerely,

Patricia Farhat  
Financial Aid Assistant

Sent via MS-ForeFront SPAM filter

May 17, 2011

Christopher F. Koller  
Health Insurance Commissioner  
Office of the Health Insurance Commissioner  
1511 Pontiac Ave.  
Building 69-1  
Cranston, RI 02920

Dear Mr. Koller,

Imagine my surprise to open the Providence Journal today May 17, 2011 and see that the carrier for the health insurance offered to our employees – United Healthcare of NE- is proposing a 20% increase for large employers. An increase of this magnitude coupled with the cuts in funding our agency has received over the last three years will most likely drive us as an organization to more seriously consider whether we can offer health insurance to our 74 employees of which only 39 currently elect our coverage. Many have elected to take coverage under another plan or are not eligible for our plan. To obtain health insurance at our agency, you must work a minimum of 36 hours a week an amount we increased from 32 hours a week several years ago to address the increasing cost of health insurance. I'm not proud of the fact we have needed to limit access for our employees. Let me tell you a little more about our organization.

Opportunities Unlimited, Inc. provides supports and services to adults with developmental disabilities within the State of Rhode Island. We are reliant almost exclusively on Medicaid and state funds for our operations. We run a lean agency and our average hourly wage for direct support staff is \$10.35 an hour. An employee who works 40 hours a week earns \$21528 as an annual salary. We have not been able to give our employees any salary increase in over 6 years. We work hard to control expenses and have managed to keep workers' comp rates low and our general and liability insurance also have stayed somewhat constant. What we can not control is the cost of health insurance. It seems like we pay more and get less.

We currently offer two plans within United Health. One has no deductibles but has co pays of \$20 for physicians, \$30 for specialists, \$150 for emergency rooms and \$100 deductible for prescriptions. The other has a \$1000 deductible and the same co pays as noted above. The cost of the zero deductible plan ranges from \$642.18 a month for individual coverage to \$1765.98 a month for family plan. Our staff contribute \$70.57 per pay period (bi weekly) for a total of \$1834.82 a year. At \$10.35 an hour, an employee works 177 hours a year just to pay for his/her share of health insurance. On family plan,

our employees pay \$194.06 a pay period (bi weekly) for a total of \$5045.56 a year. Again at \$10.35 an hour, an employee works 487.5 hours just to pay for their share of health insurance- over 12 weeks just to pay for health insurance!

Two years ago in an attempt to control the costs (when our increase from United health was 18%), we began offering a \$1000 deductible plan to our employees. Over half jumped to this plan as the bi weekly share payments were less and our employees were willing to take on the risk of the deductible. Under this plan, an employee electing a single plan with the \$1000 deductible pays a share payment of \$37.30 a pay period (bi weekly) for a total of \$969.80. This employee works 93.5 hours a year to pay for his/her share payment. On a family plan with \$1000 deductible our employees pay \$102.60 a pay period (bi weekly) for a total of \$2667.60. This employee works over 257.7 hours a year to pay for their insurance – over 6 weeks a year.

This agency's biggest bill with the exception of payroll is our health insurance cost. We pay over \$38,000 a month for a total of \$456000 a year. This out of a 3.1 million dollar budget is approximately 15% of the total budget.

Quite frankly any increase will have serious effects on the employees of this agency. We will be “forced” to analysis our capacity to offer health insurance as a benefit to our employees. Imagine the recruitment nightmare in a field that is already marked by low wages with no increases routinely given. Why provide support to people with disabilities with all that involves, at a low wage and with no health insurance provided or worse a cost prohibitive plan?

We hear all the time how expensive we are to insure but I ask that you look closely at the profits of some of these companies over the last few years. I ask that you consider the information shared above and reject the increases requested by these carriers. All Rhode Islanders deserve better than this!

Thank you.

Linda N. Ward MA  
Executive Director

**From:** <idance9999@cox.net>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 11:20 AM  
**Subject:** Raising health care costs

Hi,

My husband was laid off from a company he worked for 24 1/2. It took him two extremely stressful years before he got another job.  
During that time we had no coverage and sometimes had RITE care.

My oldest son, who graduated from URI last May had NO healthcare from August 2010 to May 2011. Oh, did I mention that he has Asperger's?

My husband does not make as much money as he used to. I was laid off from a part time job that I held on and off for about 8 months.

Now United Healthcare wants to raise their prices again? I don't think we are heading in the right direction. More and more people are going to go bankrupt and possibly lose their homes. When is this bad news every going to end?

Please do not accept their increase of 15 percent. There are too many people out there still barely hanging on.

Thank you,

Jamie



**From:** Nancy Nicholson <nlnpianist88@gmail.com>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 12:42 PM  
**Subject:** health insurance premium increases

The health insurance companies' requests for increasing rates are driven purely by profit. The cost of living and inflation — both indicators of the need to raise rates — have not risen anywhere near the percentage that health insurers are intending to increase health premium rates.

We are in a devastatingly poor economy. I urge you to deny this attempt on the part of big business to again gouge the public.

Sincerely,

Nancy Nicholson  
Providence, RI 02906

## HealthInsInquiry - Health Insurance rate increase

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**From:** Sean Barrett <sb31@hotmail.com>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 12:56 PM  
**Subject:** Health Insurance rate increase

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Dear Health Commissioner,

In regards to the increase in health care rates please look into the real facts about these increases. These are nothing but profit taking increases. United health care is asking for 18-20% increase when they made massive 1 billion profit in the last quarter. This is laughable.....

"UnitedHealth Group, one of the health insurance industry's largest companies reported a hefty \$1.04 billion profit in the fourth quarter of 2010, up 10 percent from the third quarter. This trend was not limited to this company, rather all insurance companies appear to enjoying similar success with no signs of this slowing down in 2011."

Thanks,  
Sean

## HealthInsInquiry - Health care hikes

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**From:** "Tiffany Venus" <TVenus@greenwoodev.com>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 1:06 PM  
**Subject:** Health care hikes

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I think it's time we stopped adding an increase every year or two. Working people pay enough and are no longer getting the care they deserve. I spend more time in the office now when I visit my doctor b/c he wants to talk to me. That doesn't cost more. Technology has improved, but enough is enough. Someone needs to say "ENOUGH"



*Greenwood Emergency Vehicles, Inc.*

*Service Advisor*

*530 John Dietsch Blvd*

*North Attleboro, MA 02763-1080*

*PH: 508-809-9844 FX: 508-695-9047*

## HealthInsInquiry - Please Don't Approve Rates Hikes for the Beasts

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**From:** <Daygrrrrl@aol.com>  
**To:** <HealthInsInquiry@ohic.ri.gov>  
**Date:** 5/17/2011 9:56 PM  
**Subject:** Please Don't Approve Rates Hikes for the Beasts

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it's unconscionable, it's wrong, while they reap record breaking profits...DO THE RIGHT THING AND DENY THESE RATE HIKE REQUESTS!!!

## HealthInsInquiry - Proposed rate hike

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**From:** MC <thepearl96@yahoo.com>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/17/2011 10:20 PM  
**Subject:** Proposed rate hike

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Re: Insurers seek rate increases ranging from 4.8% to 20%  
ProJoJo **01:00 AM EDT on Tuesday, May 17, 2011**

I am writing in opposition to the proposed rate hikes by the RI state's three healthcare giants. It is UNETHICAL that they would consider such a request in this dire economic climate. Why is it that their insatiable appetite for PROFIT befalls the common, hardworking person? Why doesn't the state hold a summit or working group to start finding real solutions to this healthcare mess! How about an audit! It's no secret that these health giants in both RI and Mass can throw some obscenely expensive corporate events and outings...yet they cry poverty...how interesting. Let's not forget those top executive salaries and bonuses. Who can respect that self-focused and greed-driven nature!

Don't be surprised if there is public outcry on the State House lawn! This state is going down the river and we can THANK these three examples of corporate swine for their contribution.

Sincerely,

## HealthInsInquiry - Health Insurance Increase

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**From:** Homeforgood2003 <homeforgood2003@yahoo.com>  
**To:** <EVANS@dbr.ri.gov>, <HealthInsInquiry@ohic.ri.gov>  
**Date:** 5/18/2011 8:38 AM  
**Subject:** Health Insurance Increase

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United Healthcare and the others deserve ZERO increases. They have made record profits over the past three years. Please do the right thing and refuse to bend to corporate greed.

**From:** Adrienne EVANS  
**To:** Lori Mello  
**Date:** 5/18/2011 11:56 AM  
**Subject:** Fwd: Health Insurance Increase  
**Attachments:** Adrienne EVANS.vcf

\*Note my new e-mail address

Adrienne-jo F. Evans FLMI, AIE, AIRC  
Senior Health Insurance Analyst  
State of Rhode Island  
Department of Business Regulation  
1511 Pontiac Avenue  
Building 69-2  
Cranston, RI 02920  
Direct Line (401) 462-9613

>>> Homeforgood2003 <homeforgood2003@yahoo.com> 5/18/2011 8:38 AM >>>

United Healthcare and the others deserve ZERO increases. They have made record profits over the past three years. Please do the right thing and refuse to bend to corporate greed.

**HealthInsInquiry - Health Insurance Rate Increase**

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**From:** "Info@ORS" <Info@OfficeRecyclingSolutions.com>  
**To:** <HealthInsInquiry@OHIC.RI.gov>  
**Date:** 5/18/2011 11:33 AM  
**Subject:** Health Insurance Rate Increase

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Dear Commissioner:

I cannot tell you how disappointed I am that the insurance companies are permitted to increase rates well beyond the inflation rate on companies' like mine, who have to constantly work to REDUCE our prices to our customers. There is no such thing as an automatic price increase in the real world.

These companies continue to operate in an inefficient manner because they are "bailed out" by the State, by allowing these increases. "Stop the madness," and tell them to cut their costs and improve their services, like I have to do along with thousands of other businesses in this state. You cannot allow this type of increase on top of the unemployment rate increases, fuel increases, state pension fiasco, the Governors' tax proposals, etc., etc.!

For the record, I have three (3) local companies with over 20 employees, and am expanding (for now!)

Best Regards,

Michael Mancuso



Office Recycling Solutions  
[Info@OfficeRecyclingSolutions.com](mailto:Info@OfficeRecyclingSolutions.com)  
[www.OfficeRecyclingSolutions.com](http://www.OfficeRecyclingSolutions.com)  
Ph/Fax: 1.401.884.0321





**HealthInsInquiry - Health Insurance Rate increases**

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**From:** Nancy Whitehead <NancyW@kyran.com>  
**To:** "healthinsinquiry@ohic.ri.gov" <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/19/2011 11:07 AM  
**Subject:** Health Insurance Rate increases  
**CC:** "pjfeat@projo.com" <pjfeat@projo.com>, "pkukiels@projo.com" <pkukiels@pr...

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Commissioner Koller,

I have owned a small business in RI since 1980. Most of our work is with state agencies. We have struggled to provide our employees with a good health insurance plan, currently United Health. It is beyond ridiculous to consider an 18% increase in the rates. I can't go to my state agency clients here in RI and request an 18% rate increase because my expenses have increased. These agencies are demanding reductions in our rates, with absolutely no rate increases. Why should this business entity be any different?

I also do not understand where it states in the article in the Providence Journal that United Health was held to a 12.3% increase last year when our group policy increased by 18%. RI was lauded as a model for rate regulations in health insurance. Our business has seen rate increases of over 200% in the last five years. Is this successful rate regulation?

I profoundly request that this rate increase be denied.

Nancy E. Whitehead  
President  
Kyran Research Associates, Inc.  
Aquidneck Corporate Park  
Middletown, RI  
02842  
(401) 849-7734

## HealthInsInquiry

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**From:** "steven" <stevenr4472@verizon.net>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/22/2011 6:06 AM

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Why bother complaining, you always say Yes to any type of rate increase. Although I have blue cross, I have gotten an increase EVERY year in August. I no longer go shopping or get take out, thanks to you. Again, this state sucks(my money), Do you get a to share the cash windfall?  
Steven

**HealthInsInquiry - Proposed Health Insurers 2012 rate increase**

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**From:** Sandra Fabrizio <san626@msn.com>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/22/2011 12:11 PM  
**Subject:** Proposed Health Insurers 2012 rate increase

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I am writing to express concern about the proposed rate increases for our state's health insurance companies.

Two weeks ago I received a letter stating that my Blue Cross health insurance premiums were increasing by 27.5%: approximately 13.5% "across the board increase" and the rest specifically for the company for which I work. That means I am now paying almost \$1450 per month for health insurance for my husband and myself. In addition, we have substantial deductibles.

My husband has recently been laid off so we do not have recourse to get health insurance through his employer and I am unable to "shop around" for health insurance due to RI Law 27-18.5-2. Therefore, our choice is to continue to pay what we are told we must pay or go without health insurance. I make a decent amount of money, so would not qualify for the state's health insurance. However after taxes and my health insurance premium, I only take home \$2800 per month. Obviously, my "leftover pay" combined with my husband's unemployment do not make ends meet. We are already dipping into our savings to pay our mortgage, monthly bills and rising food and gas costs.

Blue Cross consistently states that it is losing money, yet it continues to pay exorbitant salaries to its executives, not to mention the fact that they just built a state of the art headquarters. I question Blue Cross' business practices as it relates to their efficiencies. I am not as familiar with the other health insurers' practices, so I cannot speak to that.

The bottom line is that there is just so far that our budget can stretch. We have already and long ago eliminated the "extras" from our lives: electronics, vacations, gifts, etc. It seems that it is time for the health insurers to trim their budgets and find a way to "make ends meet", as most of the rest of us are struggling to do.

The next Blue Cross increase will force us to go uninsured.

Sincerely,  
Sandra M. Fabrizio  
1 Longview Drive  
Narragansett, RI 02882  
401-450-4052

5/20/11

To Whom It May Concern:

My name is Peter Lietar. I am the owner and operator of American Products Inc. I am very small manufacturer of bowling pins (Duckpin & Candlepin). Running a small business today is very difficult for many reasons, including the drier economic times and the ever-increasing costs of electricity, gas, plastic and most of all providing my family with health care coverage.


The principal reason that I am writing this letter is because of Health Insurance Premiums. I have been a Blue Cross member for the past 18 years. I have seen a huge increase in my premiums over the past three years. Unbelievably, my insurance rates have increased an astounding 35 percent!

I understand health care costs increase. However, I am 36 years old and I have my 9 year-old son on my Blue Cross policy. It costs me \$8000 per year! I find it extremely troubling that Blue Cross is continually asking for rate increases every year. To me, asking for more money from customers in this economy is outrageous! Blue cross is supposedly a non-profit company! Yet they just built an extravagant building by extorting money from young healthy customers.

The company claims to have financial losses, yet their CEO has an annual salary of \$600,000. Blue Cross has a monopoly on health insurance in Rhode Island. We are forced to pay whatever they demand. Enough is enough! It is time to stand-up to these Big Corporations and their extremely influential and powerful lobbyist. It is time to tell them NO!!!

I have had it, and I am starting to question if staying in Rhode Island is really worth the high taxes, poor public schools, and sky-high Health Insurance costs.

**Let the small business exodus begin.**



Peter Lietar  
American Products Inc.  
250 Front St.  
Pawtucket, RI. 02860  
Ph: (401) 723-9787 Fax: (401) 723-9787

RECEIVED

MAY 24 2011

Health Insurance  
Commissioner

RECEIVED

MAY 25 2011

Health Insurance  
Commissioner

W.E. JACKSON & COMPANY

BOX 11-3842

CENTREDALE

RHODE ISLAND

02911

PHONE (401) 231-0800

FAX (401) 232-3570

May 24, 2011

Mr. Christopher H. Koller  
Insurance Commissioner of Rhode Island  
1511 Pontiac Avenue  
Cranston, R. I. 02920

Dear Commissioner Koller,

We are writing, as a small business in Rhode Island, to protest the large proposed rate increases, by Blue Cross and United Healthcare for group insurance for the coming year.

First, we were surveyed by our insurer, United Healthcare, to see if we were a large or small business. We were then notified by letter that our renewal rate would increase by 19.11%

Being a small business, with seven employees and only five employees covered by our plan, it cost us \$53,672 for the year 2010 compared with the cost of \$67,342. for the year 2009. The reason for the reduction was due to down-sizing and the decrease in business. Group insurance is the single, largest business expense that we have besides salaries and wages paid. For the future, including the increase in premium, the average cost for each employee will be \$11,292.00 per annum. This is far more than the business can handle..

If the rate increases are granted there will be a large number of small businesses going out of business and a large number of skilled workers without jobs. We urgently need your help or an alternate plan supported by the state similar to the Workers Compensation Insurance Plan taken over by the state in the past.

Sincerely,

*Robert E. Jackson, Treasurer*  
W. E. Jackson & Co. (since 1921)



*Bear Rock Engravings*

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State of Rhode Island and Providence Plantations  
Office of the Lieutenant Governor

Elizabeth H. Roberts  
Lieutenant Governor

May 27, 2011

Christopher Koller  
Rhode Island Health Insurance Commissioner  
1511 Pontiac Avenue, Building 69-1  
Cranston, RI 02910

Dear Commissioner Koller:

I am writing to request that you reject the recently announced 2012 rate increase filings from the state's three largest insurers. Blue Cross requested an increase averaging approximately 10.5 percent for both small and large groups while United requested increases of approximately 18 percent for small groups and 20 percent for large groups. Tufts Health Plan's request, although still difficult for businesses to absorb, is significantly lower at 4.8 percent.

Rhode Island businesses continue to struggle to survive and keep their doors open. From the state's largest businesses to small, family-owned businesses, deep and painful cuts and sacrifices are being made in operating budgets. These proposed increases in group insurance rates further strain budgets already stretched beyond their limits, and may contribute to the erosion of employer-sponsored insurance in Rhode Island.

As you know, transforming delivery and payment of healthcare to make it more affordable and sustainable is a top priority of the Health Reform Commission. Insurers and providers must find new ways to reduce costs and pass along the savings to businesses and families. As we continue to implement reforms in the national health law, we must protect those Rhode Islanders who need our help the most. The requested rate increases of up to 20 percent for group insurance are simply outrageous, and they pose a direct threat to Rhode Island businesses. I urge you to use your authority to reject these requests. Thank you for your consideration.

Sincerely,

Elizabeth Roberts  
Lieutenant Governor

## HealthInsInquiry - Rate Increases

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**From:** <joannee3@verizon.net>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/29/2011 10:41 AM  
**Subject:** Rate Increases

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To United Healthcare of New England Representatives:

I am sending this message in opposition to the proposed rate increases. Given the recent publicity surrounding the earnings of CEO's of health care organizations, I feel it is imperative that the CEOs and other top level administrators take a much needed pay cut in lieu of premium increases for employers.

Sincerely,

Joanne Eichinger, Ph.D.

**From:** Tom Busch <tbusch@theprofitpointgroup.com>  
**To:** "healthinquiry@ohic.ri.gov" <healthinquiry@ohic.ri.gov>  
**Date:** 5/29/2011 10:20 PM  
**Subject:** requested rate increases

Mr. Koller:

I haven't written in past years about rate increases for small business health care, but I can no longer sit on the sidelines.

While I am running just a single person software consulting business, it's difficult getting business in the past 2 years because of the recession. I have had to cut my rates and ask for rate cuts from my subcontractors.

Prior to the recession, my business grossed \$250,000 per year. Now, I'm lucky gross half that. My subcontractors are far and few between and I must take every job I can find, eating expenses that I formerly could ask the client to pay.

I haven't taken a salary in 3 of the last 7 months, suffered my first ever loss in 2010 in 27 years of running a business.

Now, UHC wants an 18+% increase, taking another \$154/month from me, and that is with a high deductible plan. I already have a \$5800 family deductible. We have to pay so much out of pocket as it is.

This increase is outrageous, and I know you will fight to reduce it to the bare minimum.

Thank you.

Regards,  
Tom Busch  
The ProfitPoint Group, Cumberland, RI



**HealthInsInquiry - proposed increases in health insurance costs**

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**From:** "Roger & Mariam Lavoie" <rams00@cox.net>  
**To:** <HealthInsInquiry@ohic.ri.gov>, "Roger & Mariam Lavoie" <rams00@cox.net>  
**Date:** 5/29/2011 10:45 PM  
**Subject:** proposed increases in health insurance costs

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Dear Mr. Koller:

I am vehemently opposed to the rate increase Blue Cross and other carriers have requested. I work for a law firm employing around 50 employees. My employer pays a portion of individual coverage. As employees, we pay the remaining portion, as well as 100% of the difference between individual and family coverage. Every time Blue Cross (our carrier) requests an increase, that increase is passed on directly to us as employees. My employer is no longer willing to pay an increased portion of individual coverage. There is absolutely no reason why the cost of medical coverage should continue to increase at a rate that far exceeds the rate of inflation. Please do not approve ANY increase. As it is, our costs are exorbitant and we have no power to "shop around" in a national market place. In fact, if our employer offers a plan we have no right to "shop around" at all. This situation is unfair, makes no sense and will continue to contribute to Rhode Island's downward economic spiral.

Please feel free to call upon me if you need someone to testify in person. I would be happy to defend my position.

Mariam Alexanian Lavoie  
7 Babcock Street  
West Warwick, RI 02893  
(401) 323-5224

## HealthInsInquiry - 2011 Blue Cross small business premium rate

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**From:** Denise Hubbard <dchubbard538@hotmail.com>  
**To:** <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/30/2011 10:27 AM  
**Subject:** 2011 Blue Cross small business premium rate

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Dear Health Commissioner,

I just received our notice for my small business, Ocean State Anesthesia Partners.

The rate increase quoted is 28.5% which seems extremely high. We have 3 people on our policy including myself.

No one is catastrophically ill. I have read your offices' recommended rate changes and am really confused how we can have such a high increase.

This happened to us a few years ago also and it really is upsetting.

Do you have any advice or recommendations. We are already at a \$1,000.00 deductible.

Thank you for your attention to my issue.

Denise Hubbard

## HealthInsInquiry - Proposed Health Insurance Premium Increases

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**From:** "Beattie, Christopher" <christopher\_beattie@brown.edu>  
**To:** <HealthInsInquiry@ohic.ri.gov>, <EVANS@dbr.ri.gov>, <herb.olson@ohic.ri....>  
**Date:** 5/31/2011 9:10 PM  
**Subject:** Proposed Health Insurance Premium Increases

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Hello,

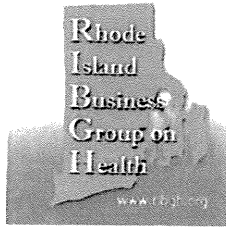
Our family considers ourselves lucky: my wife and I both have steady jobs. At the same time, this year I got a 1% raise. The year before was 2.5%. The year before was zero. My wife is facing a third straight year without a raise.

In the meantime, our property insurance increased 30% this year, and our excise tax more than quadrupled. That's right, more than quadrupled. Forget food, forget gas, forget everything else. Our family raise is spoken for 5 times over. In other words we are already losing ground, and now this. Did we not just approve a health insurance rate increase a year or so ago?

And remember, we are some of the lucky ones.

Chris Beattie

## Rhode Island Business Group on Health



Promoting a better  
**Healthcare** delivery system  
for all Rhode Islanders

PO Box 41108  
Providence, RI 02940-1108  
info@ribgh.org

---

June 6, 2011

Christopher Koller  
Rhode Island Health Insurance Commissioner  
Office of the Health Insurance Commissioner  
1511 Pontiac Avenue, Building 69-1  
Cranston, RI 02920

**RE: Proposed Rate Factors Filed by Major Commercial Health Insurers Operating in Rhode Island**

Dear Commissioner Koller:

In advance of the Health Insurance Commissioner's rate review hearing on June 8, the Rhode Island Business Group on Health (RIBGH), a coalition of over sixty-five Rhode Island employers of all sizes offers our position on the 2012 small and large group health plan rate factor filings submitted by Tufts Health Plan (Tufts), UnitedHealthcare of New England (United) and Blue Cross & Blue Shield of Rhode Island (Blue Cross).

As in prior position statements on this subject, a primary concern of RIBGH is to ensure that cost of group health insurance in Rhode Island remains affordable for our employers and their employees. In a state where our economic recovery has been anemic at best (with the third worst unemployment rate in the country at 10.9%), it is essential that health insurance increases be limited to no more than absolutely necessary if we are to avoid choking off what little job growth we have seen in the past two years. Failure to adequately control the rise in the cost of health insurance premiums will only result in the need for employers to either shift more of the cost of health care to their employees, move more jobs out of state, or drop coverage altogether. This trend is clearly shown in a recent report from your office which found that the number of privately insured Rhode Islanders has declined by 65,000 (10%) since 2005. This continued erosion of employer-sponsored health insurance takes much-needed premium dollars out of the health care system, thereby reducing the revenue available to insurers to pay claims to providers and build adequate reserves. While controlling the rate of premium increase means that some insurers may not receive the amount of increase requested in their 2012 rate factor filings, we believe that the only way to stabilize the system in the short run is to keep health insurance coverage as affordable as reasonably possible while the economic recovery takes hold.

The most recent rate factor filings provided by the three major insurers in Rhode Island certainly represent a wide range of proposed increases, from a low of 4.8% to a high of 20.1%. It is somewhat alarming that the rate factor filings are spread out over such a wide range, given the fact that these three insurers essentially cover the same types of medical services using almost identical provider networks. Unlike past years, where increase requests were more consistent and seemed driven primarily by the underlying health care cost trend, this year it is more difficult to find a clear theme behind what is driving these increase requests and why there is such a disparity between the carriers. As a result, this position statement will address each of the carrier requests separately, since each situation appears to be unique.

The rate factor request submitted by Tufts (4.8% for both small and large group employers) is at a level that is consistent with our position that increases “be limited to no more than absolutely necessary” in 2012. In fact, the requested increase is well below the expected medical inflation rates identified by all three of the carriers in their respective filings and is also below the 7.57% nationwide increase in the average per capita cost of health care services tracked by the S&P Healthcare Economic Commercial Index for the twelve month period ending March 2011. In reviewing Tufts’ rate filing, we note that the primary reason for their lower-than-trend request is to improve their competitive position in the Rhode Island market. While we applaud their business decision to seek to expand their presence in our state by making coverage more affordable to a broader segment of the employer market, we also wonder whether Tufts will be able to sustain this level of increase in succeeding years without taking additional steps to control the future rate of medical inflation within their network. We would also like to see them make a greater investment in primary care in Rhode Island than their 7.9% expected medical inflation rate for that category suggests.

At the other extreme, we cannot support United’s filings of 18% for small groups and 20.1% for large groups. By simple comparison to the other carriers, their estimated medical inflation rates are excessively high. If anything, we would expect United’s trend estimates to be lower than the others since they have a higher percentage of members in consumer-driven health plans, which historically have lower cost trends than traditional PPO plans. In particular, we are concerned about their estimated inflation rates for inpatient and outpatient hospital care compared to those of Blue Cross and Tufts. This is especially disappointing in light of United’s well-publicized and contentious negotiations with the Care New England hospital network last year in which RIBGH took a public position in support of United’s effort to keep hospital cost increases at a reasonable level by following the OHIC’s six hospital contracting conditions. And, applying our general standard that increases “be limited to no more than absolutely necessary,” it is difficult to make a case for a rate increase based on United’s financial health. The recent announcement by their parent company (UnitedHealth Group, Inc.) that they were increasing their dividend to shareholders by 30% while also spending nearly \$5.3 billion to buy back 110 million shares of their stock are two clear indications that they have excess cash that they intend to return to their shareholders. While this is certainly good news for United’s shareholders, it also undermines any credible argument for a rate increase of the magnitude they are seeking.

The rate increase request by Blue Cross falls squarely in the middle in that it is about twice that requested by Tufts but only about half of what United has requested. However, as the dominant insurer in the market, Blue Cross’s premium rates have the broadest impact on the overall cost of health insurance to Rhode Island’s economy and, as a result, their request requires more careful scrutiny than the others. We believe that Blue Cross deserves credit for taking some significant steps to improve its financial position by reducing its administrative cost and operating deficit in the past year. We also support the changes they have made to their drug formulary to reduce the impact of

increasing pharmacy costs on overall premium rates. We believe that their decision to adopt the OHIC's six hospital contracting conditions as a basis for negotiations with Lifespan last year has had a favorable impact on their expected hospital medical inflation rates for 2012. Finally, Blue Cross has made a major commitment to the Patient Centered Medical Home model of primary care, which is reflected in its higher (and, in this case, desirable) medical inflation rate in that category. While each of these steps have had a positive impact on Blue Cross's 2012 rate request, we still find it difficult to believe that Rhode Island's economy can withstand a 10.5% premium increase from its dominant insurer, especially where a smaller competitor (Tufts) is requesting a significantly lower rate increase that does not include an allocation for either reserves or profit, while Blue Cross is requesting a 3.3% allocation in that area. Although Blue Cross is rightfully concerned (as are we) that their reserves have dropped to 15% of premium, we believe that this is the unfortunate result of the loss of insured members due to a poor economy exacerbated by the high cost of health insurance. In that regard, the cure for Blue Cross's ills is the same as the rest of the Rhode Island economy - job growth in sectors that provide affordable employee health insurance coverage. In the short run, this may require all of us to accept a lower reserve rate to help keep premiums more affordable until employment returns to pre-recession levels.

As always, thank you for the opportunity to comment on a variety of health care topics, including the rate factor filings.

Sincerely,



J. Michael Vittoria  
President  
Rhode Island Business Group on Health